Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Integrated Submission and Remittance Processing System (ISRP)
5. UPI:	015-45-01-14-01-2216-00

6. What kind of investment will this be in FY2008?
Mixed Life Cycle
7. What was the first budget year this investment was submitted to OMB?
FY2001 or earlier
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.
The Integrated Submission and Remittance Processing System (ISRP) is a mission critical mixed life cycle project that provides both individual and business taxpayers a method to file paper tax returns, provides a method to process remittances received both with the tax returns and other remittances, and provides for the processing of various forms other than tax returns at eight Submission Processing Sites throughout the country. The ISRP System is an integrated suite of hardware and software that provides the interface for entry of data, perfection of data, and transmission of data to IRS Corporate data storage. As ISRP Data Entry Operators enter the information from the various paper documents, it is converted into electronic data that is used by downstream operations such as Financial Information Systems. The processing capacity and performance of ISRP supports the mandatory processing timeliness requirements imposed by Congress and other agencies for the processing of tax returns, providing the taxpayers their refunds and notices, and depositing the revenue. Additionally, ISRP provides remittance data, including check images, to the Remittance Transaction Research (RTR) system for customer service representatives to search through electronically archived remittances. The performance gap in services being offered by ISRP is the ability to process paper.
9. Did the Agency's Executive/Investment Committee approve this request?
yes
9.a. If "yes," what was the date of this approval?
2006-08-09
10. Did the Project Manager review this Exhibit?
yes
11. Project Manager Name:
Kirk, Wright; Domain POC David Vierling
Project Manager Phone:
Domain POC Phone 202-283-5085
Project Manager Email:
Domain POC email david.vierling@irs.gov
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.
no
12.a. Will this investment include electronic assets (including computers)?
yes
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)
no
13. Does this investment support one of the PMA initiatives?
yes
If yes, select the initiatives that apply:
Budget Performance Integration

Financial Performance	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
ISRP provides financial data to government, processing of tax return data and payments, deposit reports, and measurable results for IRS business and productivity. ISRP prevents erroneous payment/Earned Income Credit(EIC) and perfects data of the Employee Plans Master File (EPMF) returns for the Department of Labor (DOL).	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
yes	
14.a. If yes, does this investment address a weakness found during the PART review?	
no	
14.b. If yes, what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?	
Internal Revenue Service Submission Processing	
14.c. If yes, what PART rating did it receive?	
Moderately Effective	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(4) Project manager assigned but qualification status review has not yet started	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a. If yes, does this investment address a FFMIA compliance area?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	

Hardware	0
Software	0
Services	100

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
no	
22. Contact information of individual responsible for privacy related questions.	
Name	
Ernesto Geisler; Domain POC David Vierling	
Phone Number	
Domain POC Phone 202-283-5085	
Title	
Senior IT Computer Specialist	
Email	
Domain POC email david.vierling@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	
yes	

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.100
Maintenance Budgetary Resources	214.960	16.271	14.746
Government FTE Cost	36.010	1.709	1.709
# of FTEs	254	12	12

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

No change.

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2005	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Government to Government	Submission Processing: Electronic Records Management will be enhanced by the completion of RTR to facilitate Treasury-to-Financial Institutions data records.	0%	10% Increase in FTP for transmittal of data from to Financial Institutions to Treasury.	100% transfer of data via FTP is complete. Performance metric met.
2	2005	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Collect Revenue: Maximize customer satisfaction by improved service to the public through timely and accurate processing of Forms 1040.	Submission Processing: Improve business results by incorporating up-front efficiencies and improvements by validating Taxpayer Identifications Numbers (TINs).	40% Error rate	Reduce error rate to 37%, as measured by the ERS fallout report.	ERS fallout reports show rate to be 20% for 1st Quarter 2005. Metric has been met.

3	2005	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Collect Revenue: Maximize customer satisfaction by improved service to the public through timely and accurate processing of Forms 1040.	Submission Processing: Reduce the processing time by improved accuracy and keystroke rates resulting in an increase in documents per hour processed.	25.6 Documents per Hour.	3% increase in documents per hour as measured by the PCC 0743 report which is produced weekly.	PCC 0743 shows actual performance is 26.7 through 4/26/05. Performance metric was achieved.
4	2006	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Collect Revenue: Maximize customer satisfaction by improved service to the public through timely and accurate processing of Forms 1040.	Submission Processing: Reduce the processing time for forms 1040 by increasing the documents per hour productivity rate of entry operators. Planned Performance Goal is 3% improvement to existing baseline.	26.7 Documents per hour	Increase documents per hour entered by entry operators in ISRP-SP by 2% per year as measured by the PCC 0743 report.	Performance rate is 25.8. Data is from PCC 6240 weekending 04/22/2006. Reporting methods were changed and goals were met.
5	2006	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Collect Revenue: Maximize customer satisfaction by improved service to the public through timely and accurate processing of Forms 1040.	Submission Processing: Improve business results by incorporating up-front efficiencies and improvements by validating Taxpayer Identifications Numbers (TINs). Reduce error rate to 18%.	20% Error Rate	Reduce error rate by 2% per year, as measured by the ERS fallout report.	Error rate is 15.4% per CAPR report dated 4/21/2006.
6	2007	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Government to Citizen	Submission Processing: Facilitate taxpayer filing of returns by making it easier to file in a Web-enabled environment. Make Web-based tax preparation returns acceptable to be processed in the IRS.	60% Electronic Filed	Increase to 80% for 2007 tax year.	-
7	2007	Treasury Strategic Goal: Manage U.S. Government's Finances Effectively. IRS Strategic Goal: Collect Revenue: Maximize customer satisfaction by improved service to the public through timely and accurate processing of BMF Tax Forms.	Submission processing: Increase Productivity Target for processing BMF returns by increasing the number of returns processes per each Full time Equivalent	35,000 returns per FTE	2% increase per year as measured by the Submission Processing Measures Analysis and Reporting Tool (SMART) database.	-

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

no

1.a. If no, please explain why?

A target solution has not been identified to replace the ISRP System and the system is not scheduled to be replaced by a specific modernization project at this time. As a result, the ISRP System remains a part of the IRS As-Built-Architecture (EA), not the IRS Targeted Enterprise Architecture.

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

ISRP

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Meta Data Management	Common Services (AWSS servers) is the system that tracks the work flow. Contractual requirements provide for completion of scheduled volumes within appropriate time frames. All returns are classified within a Block DLN and controlled all the way through Master File processing. All returns are identified by the return type, Master File Tax (MFT) code, and tax period. All remittances are classified by the tax class and tax period.	Data Management	Meta Data Management			No Reuse	3
2	Extraction and Transformation	Continuous format is the process to convert data	Data Management	Extraction and Transformation			No Reuse	3

		entry work for system and Generalized Mainline Framework (GMF) processing.						
3	Document Imaging and OCR	ISRP transports provide imaging and OCR capability for all remittance documents.	Document Management	Document Imaging and OCR			No Reuse	3
4	Data Exchange	ISRP provides data to downstream validation systems for posting to Master file accounts.	Data Management	Data Exchange			No Reuse	3
5	Loading and Archiving	ISRP loads all entity index data from Master File extracts.	Data Management	Loading and Archiving			No Reuse	3
6	Access Control	ISRP utilizes authentication of user ID's and passwords for all operators. System Administrators and supervisors provide management and access control over the Data Transcribers (user) permitted tasks. Data Transcribers(user) roles and permissions are defined and managed by the System Administrators and supervisors.	Security Management	Access Control			No Reuse	3
7	Audit Trail Capture and Analysis	ISRP provides all security and audit trail logs to the IRS security system AELITA.	Security Management	Audit Trail Capture and Analysis			No Reuse	3
8	Tax Account Management Business Logic	Manages the electronic or paper capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	80

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Access Control	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	Microsoft Active Directory, Microsoft Windows XP, Microsoft Windows Server 2003, J&B Transaction Management Software (TMS), Fortress (COTS product that shuts down applications)
2	Data Exchange	Service Platform and Infrastructure	Delivery Servers	Application Servers	Dell 4600/4300 and HP ML350 Servers
3	Loading and Archiving	Service Platform and Infrastructure	Support Platforms	Platform Independent	HP ML350 Server with HP StorageWorks MSL6060 Tape Library.
4	Audit Trail Capture and	Service Platform and	Support Platforms	Platform Independent	Dell 4600 Server

	Analysis	Infrastructure			
5	Meta Data Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Dell 4600/4300 and HP ML350 Servers
6	Meta Data Management	Service Platform and Infrastructure	Database / Storage	Database	Dell 4600/4300 and HP ML350 Servers
7	Meta Data Management	Service Platform and Infrastructure	Database / Storage	Database	Microsoft SQL & Microsoft Access
8	Meta Data Management	Service Platform and Infrastructure	Database / Storage	Database	RAID Level 5 Storage on Dell 4600 / 4300 Servers and Veritas BackUp Exec version 10
9	Extraction and Transformation	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Dell 4600/4300 Servers, HP/CMP EVO Workstations and Gateway Workstations
10	Document Imaging and OCR	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	Unisys NDP 600 Transports with Image Capture/Check Sorting , Magnetic Ink Character Recognition Readers (MICR) and Unisys OCR, SoftCAR and ICR Recognition Equipment and HP Network Printers
11	Meta Data Management	Component Framework	Business Logic	Platform Independent	J&B TMS (Unisys-NDP 600) HP CMP EVO Workstations
12	Meta Data Management	Component Framework	Data Interchange	Data Exchange	Microsoft Internet Explorer and J&B TMS

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?
no
6. Does this investment provide the public with access to a government automated information system?
no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-09-06

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

The ISRP risks are reflected in the mixed life-cycle cost estimate and investment schedule as part of the Legislative RIS mandated tax law changes that are received late and must be made in a very short turnaround to meet SAT and Production schedules. Also, we include cost for legislative changes to our continued operations for the ISRP investment.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

What costs are included in the reported Cost/Schedule Performance information?

Contractor and Government

2.e. As of date:

2006-12-31

7.b. If yes, explain the variance.

The negative variance is based on the costs associated with end of year and startup for each filing season processing year releases are implemented the last week of December and first week of January of each year. This release is from the contractor and mission critical. The ISRP project does not use a Standard 748 compliant EVMS. The ISRP Contract, is firmed fixed, is funded on a Calendar year basis, not a fiscal year basis. This in itself does not clearly align with the E300 budgeted cycle. As a result, funding for the 1st quarter of the ISRP Contract uses the funds from the last (4th quarter) of the prior year's budget. Also, a significant amount of project costs are accrued during August through December of each year to cover Product Assurance, FTE's , Contractors, Travel, and Overtime.

7.c. If yes, what corrective actions are being taken?

10/19/06 - Cost and Schedule Variance is less than 1%. No CAP required.

8. Have any significant changes been made to the baseline during the past fiscal year?

yes